No. 98-531

IN THE
Supreme Court of the United States
OCTOBER TERM, 1998

FLORIDA PREPAID POSTSECONDARY EDUCATION EXPENSE BOARD,

Petitioner,

vs.

COLLEGE SAVINGS BANK and UNITED STATES OF AMERICA,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY BRIEF FOR PETITIONER

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ARGUMENT

The Patent Remedy Act is unconstitutional on several grounds. First, it impermissibly allows Congress to bootstrap its enforcement powers found in § 5 of the Fourteenth Amendment to protect Article I property interests in derogation of the Eleventh Amendment, without respect for this Court's decision in *Seminole Tribe of Florida v. Florida*, 517 U.S. 44 (1996) ("*Seminole Tribe*"). Because Congress's Article I powers are limited by the Eleventh Amendment, Congress cannot use the Patent Clause to create a statutory right to exclude others from an invention that authorizes patent owners to sue states in federal court. Unlike property derived from common or state law, patents are not the sort of property enforceable by Congress through § 5 abrogating legislation.

Next, even if patents are protectable property, the legislation violates the clear requirements of this Court's ruling in *City of Boerne v. Flores*, 521 U.S. 507, 117 S. Ct. 2157 (1997) ("*City of Boerne*"), because the Act does not remedy or deter unconstitutional state conduct. "State sponsored patent infringements" do not amount to constitutional wrongs unless and until states engage in such conduct without providing patentees just compensation or due process of law.

Congress's discretion is not so unlimited that it may identify a property interest and then simply abrogate state immunity to protect that interest. Congress had no evidence and made no findings that states will not provide patentees with adequate process or remedies for any alleged state infringements -- Congress did not even realize that was the relevant inquiry. As a result, it never examined the available state remedies that provide constitutionally-adequate process to patent owners such as takings claims, state tort claims, and legislative claims bills.

Assuming *arguendo* that Congress validly enacted the Patent Remedy Act to enforce the Due Process Clause, the abrogating legislation must be limited to remedying instances where a particular state's own process does not satisfy constitutional requirements. Moreover, state processes and remedies can only be meaningfully evaluated if patent related claims are pursued there to completion -- that is the only time a Due Process violation would manifest itself. *Williamson County Regional Planning Comm'n v. Hamilton Bank of Johnson City*, 473 U.S. 172 (1985) ("*Williamson*"). Here, CSB bypassed available state remedies entirely. The Patent Remedy Act is unconstitutional if applied against states such as Florida that meet constitutional standards.

Even if Congress had identified instances of inadequate due process or compensation by one or more states, the means imposed by the Patent Remedy Act -- abrogating the immunity of all states -- lacks congruence and proportionality to the goals Congress seeks to achieve. Moreover, the Act unnecessarily intrudes into important and core governmental functions, has a significant impact on state treasuries, and affects all areas and types of state activity. Given the historical purpose of the Eleventh Amendment, Congress's desire to treat states like private parties rather than as sovereigns can never be congruent with a proper end to be achieved. Congress's further desire for *uniform* procedures and remedies among the various states cannot override the Eleventh Amendment.

In enacting the Patent Remedy Act, Congress usurped this Court's power to define the scope of the Constitution both when bringing patents within § 5's ambit and by redefining the level of process that must be afforded to patentees who allege patent infringement against the states. Congress's attempt to enforce patents against states in federal court, therefore, is "substantive in operation and effect." As a result, it is unconstitutional when evaluated consistent with the teachings of *City of Boerne*.

I. THE ELEVENTH AMENDMENT PREVENTS CONGRESS FROM CREATING A PROPERTY RIGHT UNDER ARTICLE I ENFORCEABLE AGAINST STATES IN FEDERAL COURT.

While the parties and their amici do not dispute that patents are a species of property, they disagree sharply about the significance of the fact that patents are created by Congress in exercise of its Article I powers. As shown by Florida Prepaid and its amici, it is improper for respondents merely to label patents as "property" and end the inquiry there. Instead, the limits of Congress's Article I powers to create patent rights must be considered when deciding whether an alleged deprivation of patent rights without due process of law can even be redressed by abrogating legislation.

According to the United States, Congress has the discretion to select which Article I interests are "property" for purposes of the Fourteenth Amendment's Enforcement Clause, thus preventing the exercise of § 5 powers from becoming co-extensive with Congress's powers under Article I. US Br. 18. When saying so, however, the government does not attempt to provide any limits on Congress's discretion in deciding when and how § 5 applies to interests created under Article I. *See City of Boerne*, 117 S. Ct. at 2172 ("Congress's discretion is not unlimited").

The respondents believe that if a "legitimate" property interest is identified, Congress is free from the constraints of *Seminole Tribe* and has the discretion to fashion "enforcing" legislation under § 5 to protect those Article I rights. US Br. 19; CSB Br. 21. But they fail to examine whether patents are in fact "property" protectable under the Fourteenth Amendment; both Congress and the respondents are satisfied to label patents as "property" without further analysis.

The respondents' position falters because Article I cannot be used to circumvent constitutional limitations placed upon federal jurisdiction, regardless of whether it is judiciously applied. *Seminole Tribe*, 116 S. Ct. at 1132.[1] While the United States claims the purpose of the Patent Clause was to allow Congress to confer property rights on inventions, US Br. 19, Congress's Article I powers are subject to the limitations imposed by the later-enacted Eleventh Amendment. As shown by *Seminole Tribe,* the "bundle" of statutory property rights embodying the right to exclude others from the patented invention created by Congress under its Article I powers cannot expand Article III jurisdiction to authorize patent suits against the states in federal court.

CSB's contention that the origin of the property interest is "irrelevant" to the analysis of whether Congress has power to abrogate Eleventh Amendment immunity to enforce it is plainly wrong. CSB Br. 24. The bundle of property rights granted under a patent is limited to those prescribed by Congress. *See Crown Die & Tool Co. v. Nye Tool & Mach. Works*, 261 U.S. 24, 40 (1923) (quoting *Gayles v. Wilder*, 51 U.S. 477, 494 (1850) ("[T]he patent monopoly did not exist at common law . . . It is created by the act of Congress; and no rights can be acquired in it unless authorized by statute, and in the manner the statute prescribes.")). More importantly, the rights are limited to those that *can* be prescribed by Congress. *Marbury v. Madison*, 5 U.S. (1 Cranch) 137, 177 (1803).

After the Eleventh Amendment was passed, the statutory right to exclude others from an invention created by Congress under the Patent Clause could not include a right to sue states in

1. *See also* Bohannon and Cotter, *When The State Steals Ideas: Is The Abrogation Of State Sovereign Immunity From Federal Infringement Claims Constitutional In Light Of Seminole Tribe?*, 67 Fordham L.R. 1435 (1999) (concluding that the Patent Remedy Act is unconstitutional).

federal court. *See* UC Br. 8. The right afforded a patentee is the right to pursue certain remedies to preserve a limited monopoly on his invention -- nothing more. If Congress can create such a right and then bootstrap the Enforcement Clause of § 5 to enforce those remedies against the states in federal court, *Seminole Tribe* was a meaningless exercise.

The United States attempts to refute Florida Prepaid's construction of *Seminole Tribe* by suggesting that Florida Prepaid has confused the substance of the property interest (the right to exclude others from use of the claimed invention) with the means adopted by Congress to enforce that interest (the federal court forum adopted by Congress to protect that interest). *See* US Br. 18 n.3. As support, it points to this Court's statements in *Cleveland Bd. of Educ. v. Loudermill*, 470 U.S. 532, 541 (1970), that "property cannot be defined by the procedures provided for its deprivation" and that "the categories of substance and procedure are distinct." *Id.* The United States, however, overlooks that the only substance to the right to exclude embodied in a patent is the right to invoke judicial protection, so that the right to sue is a part of the substantive property interest, not merely a procedure for enforcing it. *See* UC Br. 4-9.

Moreover, the facts of *Loudermill* highlight a critical difference between patent property and other forms of property. In that case, the property interest at issue was a right to continued employment, an interest expressly created under state statutory law. 470 U.S. at 538. As this Court explained:

> Property interests are not created by the Constitution, "they are defined by existing rules or understandings that stem from an independent source such as state law . . ."

Id. (quoting *Board of Regents v. Roth*, 408 U.S. 564, 577 (1972)). Unlike the property interests at issue in such cases, a patent is

property created under statutory powers granted to Congress by the Constitution. As a result, a patent is subject to the limits imposed by the Eleventh Amendment on Congress's ability to create property rights under Article I which do not affect a common law property right in land or a state law property right in employment.

Far from being irrelevant, the fact that patents originate from Article I places them squarely within the parameters of *Seminole Tribe*. As Florida Prepaid explained, *Seminole Tribe* does not mean Congress cannot create property rights under Article I or even that patents are not property, but it does mean whatever rights are created by Congress under Article I do not include having the statutory right to exclude others from the invention enforced against states by suit in federal court. Absent a constitutional amendment, Congress cannot subject states to patent suits in federal court because it lacks the power to create a property interest under Article I that trumps the Eleventh Amendment.

II. THE PATENT REMEDY ACT DOES NOT REMEDY OR REDRESS CONSTITUTIONAL WRONGS AS IS REQUIRED BEFORE CONGRESS MAY ABROGATE STATES' IMMUNITY.

As settled by *City of Boerne*, states' immunity from suit in federal court cannot be abrogated by Congress under § 5 unless the abrogating legislation in the first instance deters or remedies unconstitutional state conduct. Even if there is a constitutionally-protectable property interest at issue here, a state must also "deprive" the owner of that property, and effect such deprivation "without due process of law." The Patent Remedy Act fails to meet this test because state patent infringement is not a due process violation, and Congress lacks the power to define new constitutional wrongs. Further, there is no evidence that states

have or will otherwise engage in unconstitutional conduct relating to patents. Finally, even if Congress had identified a constitutional injury for the Patent Remedy Act to remedy or deter, the means selected still lack proportionality to the end to be achieved.

A. Congress Erred in Equating State Patent Infringements To Due Process Violations.

Florida Prepaid already has shown that patents are not property enforceable by Congress's § 5 powers through abrogating legislation and has explained why most state infringement does not amount to a "deprivation" under the Constitution.[2] Even accepting respondents' contention that patents are property entitled to § 5 relief, mere patent infringement by a state is not a constitutional wrong.

> The deprivation by state action of a constitutionally protected interest in "life, liberty or property" is not itself unconstitutional; what is unconstitutional is the deprivation of such an interest without due process of law.[3]

Zinermon v. Burch, 494 U.S. 113, 125 (1990), *citing*, *Parratt v. Taylor*, 451 U.S. 527 (1981).

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2. As the United States implicitly acknowledges, proof of a constitutional-level "deprivation" would also be a jurisdictional prerequisite for a federal suit under the Patent Remedy Act. US Br. 39-42; *see* Florida Prepaid Br. 25 n.10. However, that hurdle would never be reached due to the absence of any denial of due process by the states.

3. No party has alleged that pre-deprivation remedies are required to satisfy due process. Florida Prepaid Br. 31, n.16. The issue, then, is whether Congress legitimately assumed that states' post-deprivation remedies for patent infringement would fail to provide due process.

The respondents maintain that Congress has broad discretion to decide not only what interests implicate substantive Due Process Clause guarantees, thereby triggering Congress's § 5 abrogating powers, but also what process should be provided when those interests are allegedly impaired by states. *See, e.g.*, US Br. 20. The enforcement power afforded Congress under § 5, however, is not so unlimited. *City of Boerne*, 117 S. Ct. at 2163.

While Congress can enact legislation under § 5 to enforce the Due Process Clause, Congress cannot "decree the substance of the Fourteenth Amendment's restrictions on the states" simply by declaring that patent infringement effects a deprivation of property without due process. *Id.* If Congress can "define its own powers by altering the Fourteenth Amendment's meanings," the constitution is no longer the "superior paramount law, unchangeable by ordinary means." *Id.* at 2168.

When enacting the Patent Remedy Act, Congress should have determined that patents were being infringed by states in an unconstitutional manner, namely without due process. *Zinermon*, 494 U.S. at 126. In all cases to date where this Court has approved Congress's employment of its § 5 powers, pervasive and documented unconstitutional state conduct supported the federal legislation.[4] As observed by the Court in *City of Boerne*,

> . . . We upheld various provisions of the Voting Rights Act of 1965, finding them to be remedies

4. CSB chides Florida Prepaid for pointing out the historical significance of the predicate of pervasive state-sponsored discrimination. CSB Br. 5. However, Florida Prepaid used the equal protection cases -- the only cases in which § 5 has been applied -- to show that § 5 has only been used to remedy unconstitutional conduct and that the Due Process Clause should be applied with fidelity to this precedent.

> aimed at areas where voting discrimination has been most flagrant . . . and necessary to 'banish the blight of racial discrimination in voting, which has infected the electoral process in parts of our country for nearly a century.' We noted evidence in the record reflecting the subsisting and pervasive discriminatory -- and therefore unconstitutional -- use of literacy tests.

117 S. Ct. at 2167 (citations omitted). A demonstrated need for Congress to enforce constitutional rights against recalcitrant, indeed truant, states has consistently been required.

Attempting to mitigate Congress's failure to identify denials of due process by states alleged to have infringed privately-held patents, the United States argues it is enough if this Court can

> perceive a factual basis on which Congress could have concluded that there had been unconstitutional deprivations of property interests in patents in the past, or that there were likely to be such violations in the future.

US Br. 23. However, Congress chronicled no empirical evidence of unconstitutional state conduct -- only eight instances of alleged state infringement in the past 100 years, with no evidence that patent owners sought and were denied adequate relief by states.

The respondents also attempt to excuse the Patent Remedy Act's scant record on the basis that an emergency predicate is not required before § 5 may be employed. *See* US Br. 23; AIPLA Br. 11. However, even the most detailed record could not have justified using § 5 to remedy state patent infringement because § 5 only authorizes Congress to enact "appropriate" legislation to remedy due process violations, not statutory violations. As

this Court has made clear, the Fourteenth Amendment is not a "font" for tort law. *Paul v. Davis*, 424 U.S. 693, 701 (1976).

Respondents insist that Congress examined state process and remedies before concluding that they are not uniform, may be illusory, and at best are "wholly inadequate." US Br. 24-38; CSB Br. 27-30. As support, CSB points to the testimony of the Commissioner of Patent and Trademarks who testified that "if states remain immune from suit, patent holders will be forced to pursue uncertain, perhaps non-existent remedies." CSB also cites AIPLA's testimony that "there are not very effective patent remedies at the state level." CSB Br. 27-28. These conclusory statements by witnesses supporting the Patent Remedy Act can hardly constitute a meaningful analysis of the constitutional adequacy of state court remedies for patent owners.

While the United States declares that a state is constitutionally obligated to provide compensation when it takes property for public use, US Br. at 25, it simultaneously doubts whether takings claims over patents can be entertained by state courts. Contrary to that assertion, state court process for patent-related claims will not be superseded via the Supremacy Clause because Congress lacks authority to allow such cases to proceed in federal court. *See* Ohio Br. 12. Moreover, this Court's decisions strongly suggest that takings claims can be asserted by patentees against states and thus will satisfy due process.[5] In any event, respondents' speculation before this Court about the viability of a takings theory, whether the absence of certain remedies violates due process, and whether state relief would be "just" compensation cannot justify abrogating state immunity

5. *See, e.g., Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U.S. 419 (1982); *Kaiser Aetna v. United States*, 444 U.S. 164 (1979); *United States v. Causby*, 328 U.S. 256 (1946). *See also James v. Campbell*, 104 U.S. 356 (1881) (patent infringement by United States constitutes a taking).

before any such concerns are put at issue and resolved by the state courts.[6]

Where there is an available state post-deprivation remedy, and no challenge to the state procedures themselves, this Court's decisions in *Parratt* and *Williamson* show that federal courts are not to entertain a federal claim seeking compensation from a state or even to decide whether the state process meets constitutional standards until after the state procedures and remedies have been sought. As shown by *Parratt*, 456 U.S. at 538-44, CSB's reliance on *Monroe v. Pape*, 365 U.S. 167 (1961), is misplaced with respect to procedural due process claims. Until a state's remedies are tested and shown to be constitutionally lacking, a state cannot have committed any constitutional wrong that could act as a predicate to abrogate its Eleventh Amendment immunity.[7] *Williamson*, 473 U.S. at 194-195.

Here, no federal court has yet determined that patentees will be denied due process and just compensation by the available remedies in Florida, and CSB did not even attempt to pursue

6. Even if there are states where relief is not expressly provided for or may be limited, it is not likely that relief would be foreclosed altogether. To the contrary, it is likely that states will construe their laws expansively so as to provide adequate process to patentees and avoid losing their Eleventh Amendment immunity from suit in federal court. *Jacobs Wind Elec. Co. v. Fla. Dep't of Transp.*, 626 So.2d 1333 (1993).

7. Respondents take issue with Florida Prepaid's assertion that state remedies must be "exhausted." *See*, CSB Br. 46-47; PLF Br. 18-19. Only those patentees who sue state entities where the constitutional adequacy of the state's process for patentees has not yet been tested must "exhaust" the available state process and remedies. Where a particular state's process and remedies have previously been declared inadequate, subsequent patentees seeking relief from that state would not be required to use the state procedures in the first instance.

such state remedies against Florida Prepaid. As a result, there is no basis on which it can be assumed or determined that CSB will be deprived of property without due process or just compensation. Until the available state procedures are tested, they cannot be shown to be inadequate. In the absence of such a showing, there can be no constitutional violation for a federal court to remedy by applying the Patent Remedy Act.[8]

To save the Patent Remedy Act, the Federal Circuit effectively negated the meaning of the Due Process Clause. That court held that the Patent Remedy Act did not only apply "to those states that fail to provide a remedy for compensation for patent infringement by the state, or that provide a remedy of such inconsequence as to be illusory." Pet. App. A. 14a. Instead, it held that the Patent Remedy Act is a valid exercise of Congress's § 5 power to abrogate the Eleventh Amendment immunity of all fifty states in patent infringement cases without regard to whether a particular state has adequate process for patent holders. Pet. App. A, at 14a-15a.

As explained in *City of Boerne*, "Congress was granted the power to make the substantive constitutional provisions against the States effective." 117 S. Ct. at 2165. But if Congress is allowed to subject states to suit in federal court by legislating to enforce the Due Process Clause even against states providing constitutionally-adequate due process, Congress will have created jurisdiction for suits against those states in federal court in the absence of a constitutional violation. That is clearly prohibited by *City of Boerne*.

8. As explained, any inability of state courts to provide due process in cases arising under the patent laws results from jurisdiction being exclusive to federal court that is the result of federal action, not any constitutional violation by the states. *See, also*, UC Br. 8. Congress's decision to restrict such jurisdiction to federal court cannot supply abrogation power to Congress to enforce the Due Process Clause.

Congress's power to abrogate must be limited to remedying those instances where a state's own processes do not satisfy what is required by the Constitution -- as interpreted by this Court. If that means that federal courts have to determine whether procedural due process is provided to patent holders on a state-by-state basis, that conclusion is required by the limits on the extent of Congress's power to abrogate under the Due Process Clause of the Fourteenth Amendment. While this does not mean that Congress must pass state-specific legislation, any § 5 legislation enforcing the Due Process Clause cannot abrogate the immunity of those states that provide due process to patent holders.

B. The Patent Remedy Act Is Not Proportionate To Any Goal Of Eradicating Allegedly Unconstitutional State Conduct.

Even if state patent infringement were a constitutional wrong, the Patent Remedy Act goes too far. Congress does not have the power to legislate its own view of the level of process that should be handed out by the states to patentees.

This Court has held that state remedies do not need to be as generous as those provided in a federal civil action to satisfy minimum due process. *Parratt*, 451 U.S. at 544. States have broad discretion in fashioning monetary relief available under their own procedures. *McKesson Corp. v. Div. of Alcoholic Beverages & Tobacco*, 496 U.S. 18 (1990).

> [T]he state's interest in fashioning its own rules of tort law is paramount to any discernible federal interest, except perhaps an interest in protecting the individual citizen from state action that is wholly arbitrary or irrational.

Martinez v. State of California, 444 U.S. 277, 283, 100 S. Ct. 553, 557 (1980). If the state's process and compensation scheme satisfies the constitutional standard, Congress is powerless to require anything more.

By asserting that Congress has the discretion to conclude that only Title 35 remedies provide "adequate" compensation to patentees, CSB and the United States ignore that Congress has simply redefined what is "just" compensation for patent owners under the Constitution. Neither the Fifth Amendment nor the Fourteenth Amendment require the availability of attorney's fees, treble damages, and injunctive relief in order to provide "just" compensation or "due" process of law.[9] *See Parratt*, 451 U.S. at 544. Because Title 35 remedies far exceed this Court's constitutional due process requirements, the Patent Remedy Act is a substantive change of the Constitution in violation of *City of Boerne*.

The respondents try to excuse this blatant attempt to "redefine" the due process requirements for patent holders by arguing that Congress has discretion to secure the guarantees of the Fourteenth Amendment by fashioning a "fully-adequate" remedy for state infringement. US Br. 20. However, Congress did not secure the guarantees of the due process clause under the Patent Remedy Act, it altered its meaning -- at least as to patent owners. If the Act is upheld, the constitutional guarantee

9. Where a patent holder is able to recover under a state tort claims act, the Patent Remedy Act only would serve to protect a claimant's interest in enhanced damages, an interest which the Due Process Clause does not protect. *See Parratt*, 451 U.S. at 543-44 (lack in state tort law of punitive damages which are available under 42 U.S.C. § 1983 does not render state procedure insufficient under due process clause). Enhanced damages under patent law are comparable to punitive damages in other tort contexts. *See Read Corp. v. Portec, Inc.*, 970 F.2d 816 (Fed. Cir. 1992).

of due process for patent holders will be whatever Congress is currently providing in the patent code. As explained by *City of Boerne*, that would improperly give Congress virtually unlimited power to alter the constitution. *See* 117 S. Ct. at 2168.

III. PUBLIC POLICY CONSIDERATIONS HAVE NEVER BEEN DEEMED SUFFICIENT TO TRUMP THE ELEVENTH AMENDMENT.

As stated in *Pennhurst State School and Hospital v. Haldermann*, 465 U.S. 89, 123 (1984), "considerations of policy cannot override the constitutional limitation on the authority of the federal judiciary to adjudicate suits against a State." The application of sovereign immunity results in disparate treatment of states and private parties when it comes to where they can be sued and the relief that may be procured. *See Welch v. Texas Dep't of Highways and Pub. Trans.*, 483 U.S. 468, 477 (1987). Certain of the respondents' amici nevertheless assert that Eleventh Amendment immunity should be shunned in patent infringement cases because the results are "unfair." *See*, NYIP Br. at 7. Any such "unfairness" can never be remedied absent a repeal of the Eleventh Amendment.

Other amici advance the argument that the invalidation of the Patent Remedy Act will "upset the patent system." AIPLA Br. 2. In the context of the entire patent system, the effect of state infringement cases is clearly overstated. In any case, the policy of having uniform patent laws -- without any regard for how existing patent laws will actually be applied by state courts -- also cannot be sufficient cause to override the mandate of the Eleventh Amendment.[10]

10. A lack of uniformity is tolerated in other areas of the law, given the varying relief states afford to claims within their jurisdiction. Should such a lack of uniformity be a basis for abrogating legislation, there would be hardly any instances where the Eleventh Amendment would not fall.

The possibility that available procedures may vary from state to state does not violate the constitution. As stated in *Kremer v. Chemical Constr. Corp.*, 456 U.S. 461 (1985), "[t]he very nature of due process negates any concept of inflexible procedures universally applicable to every imaginable situation." 456 U.S. at 483 (quoting *Mitchell v. W.T. Grant Co.*, 416 U.S. 600, 610 (1961)). As shown by *MGA, Inc. v. General Motors Corp.*, 827 F.2d 729 (Fed. Cir. 1987), the Federal Circuit is able to evaluate state court patent decisions for compliance with due process requirements.

The United States asserts that requiring federal courts to evaluate state remedies would be "unseemly." US Br. 31-32. However, any due process analysis by a federal court evaluates state procedures. Similarly, any alleged concern over the potential for inconsistent judgments, simultaneous litigations, and multiple venues is illusory. Patent owners already face such occurrences whenever there are multiple private defendants in different states, and the existing means to manage such concerns, e.g., collateral estoppel and stays, can be applied in state courts. *See Blonder-Tongue Labs., Inc. v. Univ. of Illinois Found.*, 402 U.S. 313 (1971).

Congress's desire for uniform decisions and uniformity in the patent law simply cannot overcome its absence of power to abrogate. State courts still decide patent issues in a variety of contexts. *See Lear v. Adkins*, 395 U.S. 653 (1969); *Nat. Conf. of State Legis.* Br. at 23 & n.8. Any true conflict between a Federal Circuit decision and a state court can be resolved by this Court. *See Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989). Whether Congress reasonably concluded that federal courts would be a better forum for patent suits against the states is not the issue. As long as states provide constitutionally adequate process, fairness and uniformity of the laws will be adequately preserved.

> [T]o secure state-court compliance with and national uniformity of federal law, the exercise of jurisdiction by state courts over cases encompassing issues of federal law is subject to two conditions: state courts must interpret and enforce faithfully the 'Supreme Law of the Land,' and their decisions are subject to review by this Court . . . the Eleventh Amendment does not constrain the appellate jurisdiction of the Supreme Court over cases arising from state courts.

McKesson, 496 U.S. at 28. States cannot, then, be required to defend patent infringement claims in federal court so that "better" or more uniform relief can be provided to patentees. *Missouri v. Fiske*, 290 U.S. 18, 25-26 (1933) ("considerations of convenience open no avenue of escape from the Amendment's restriction"). Adopting such a test would effectively dispose of the Eleventh Amendment and disavow the teachings of *City of Boerne*.

IV. FLORIDA PREPAID DID NOT WAIVE ITS SOVEREIGN IMMUNITY EITHER UNDER *PARDEN* OR BY PARTICIPATING IN THE PATENT SYSTEM.

Although the Federal Circuit did not reach the issue, respondents' invocation of the *Parden* doctrine as a basis to allow this patent infringement suit to proceed against Florida Prepaid in federal court should also be swiftly rejected. *See* CSB Br. 49; US Br. 47-48 *citing, Parden v. Terminal Ry. of the Ala. State Docks Dep't.*, 377 U.S. 184 (1964). Like the respondents, Florida Prepaid incorporates and relies upon its briefing in Case No. 98-149. As explained therein, *Seminole Tribe* made clear that a state's participation in commerce is no foundation for abrogating legislation. Br. 22-35. An implied waiver of immunity arising from the same conduct also cannot logically be found.

Parden was squarely premised on the Commerce Clause, and in overruling *Pennsylvania v. Union Gas*, 491 U.S. 1 (1989), *Seminole Tribe* teaches that Congress cannot curtail Eleventh Amendment immunity through legislation enacted under Article I. *See Chavez v. Arte Publico Press*, 59 F.3d 539 (5th Cir. 1995), *vacated and remanded in light of Seminole Tribe*, 517 U.S. 1184 (1996), *on remand*, 157 F.3d 282 (5th Cir.), *reh'g en banc granted* (October 1, 1998). Thus, if Congress's Article I powers do not include the authority to abrogate state's immunity from suit in federal court, the power to extract a waiver of such immunity must fail, as well.

Moreover, because Florida Prepaid is acting in a true governmental capacity when it assists its residents in obtaining higher education, *Parden*, even if still viable, would not apply. There is also no quid pro quo or choice offered to states in the Patent Remedy Act. Thus, this abrogating legislation does not contain any conditional waiver, and *Parden*, therefore, is never triggered.[11]

No implied waiver can be found to have occurred under the fiction created in *Parden* now that *Seminole Tribe* overruled *Union Gas*. Further, states' participation in the patent system similarly did not effect a waiver of immunity either -- Congress did not give specific notice that obtaining patents would result in a waiver of immunity from patent suits. As a result, because Congress lacked the power to abrogate Florida Prepaid's immunity for patent infringement claims, its motion to dismiss should have been granted by the district court.

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11. CSB also improperly attempts to gain consideration of whether Florida Prepaid waived its immunity by participating in this law suit. That issue, however, is not properly before this Court. *See Bennett v. Spear*, 520 U.S. 154 (1992).

CONCLUSION

The Federal Circuit's decision should be reversed and remanded with instructions that CSB's patent infringement claim against Florida Prepaid be dismissed.

Respectfully submitted,

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